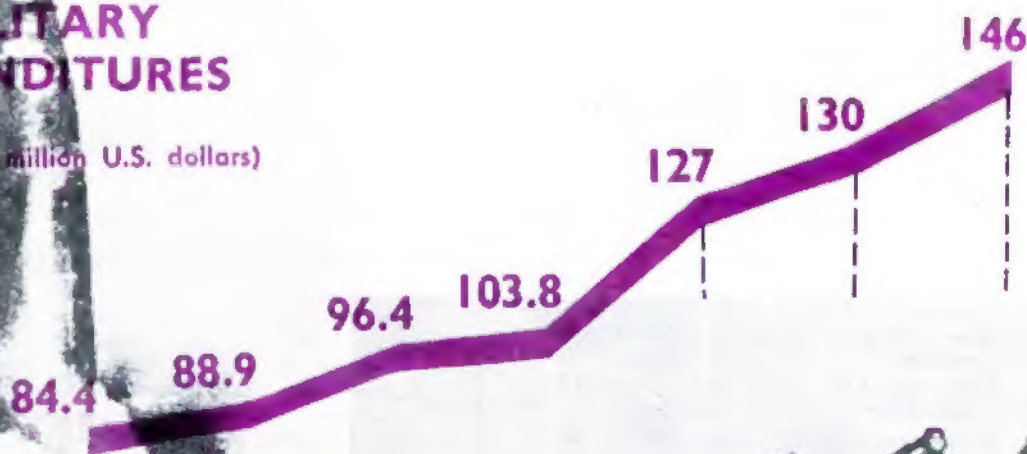


BEIJING REVIEW

- New Stage in Soviet-U.S. Nuclear Arms Race
- Policy on Importing Technology

MOUNTING SOVIET MILITARY EXPENDITURES

(Unit: 1,000 million U.S. dollars)



1972

1973

1976

1977

1978

BEIJING REVIEW

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CHRONICLE

May 20

• The editorial committee for putting out the journal *Studies of a Dream of Red Mansions* in July this year was set up in Beijing. It will be the first publication to be devoted to studies on the great realistic novel *A Dream of Red Mansions* since it was written 200 years ago.

May 22

• Chairman Hua met with the Romanian Government Delegation led by Paul Niculescu, Member of the Executive Political Committee of the Central Committee of the Romanian Communist Party and Vice-Premier. Chairman Hua and Vice-Premier Niculescu exchanged views on the current international situation and bilateral relations.

• Leader of the Chinese Government Delegation Han Nianlong, who had taken part in the Sino-Vietnamese negotiations at the vice-ministerial level, pointed out at a press conference in Beijing that the Vietnamese side continued its anti-China hostility and wilfully distorted China's eight-point principled proposal, and that the first round of Sino-Vietnamese negotiations failed to achieve any progress. The Chinese side, he said, still hoped that disputes between China and Viet Nam could be resolved and bilateral relations could be improved through negotiations.

May 26

• Deng Yingchao, Vice-Chairman of the Standing Committee of the National People's Congress, arrived in Pyongyang on a visit to Korea. She paid a visit to President Kim Il Sung on the afternoon of her arrival.

• The Chinese and Vietnamese Red Cross Society delegations held their second round of talks. The two sides exchanged lists of names of all captives and reached agreement on the release of all captives in five groups. The Chinese side at the meeting handed to the Vietnamese side a list of all the 1,638 Vietnamese armed personnel captured. The Vietnamese side handed a list of names of 240 Chinese captives to the Chinese side. The Chinese side declared at the meeting that the Chinese side reserved the right to verify whether the list handed over by the Vietnamese side included all Chinese captives. The first group was released on May 21 and the last group will be released on June 22.

May 27

• Combat heroes and militiamen supporting the front from China's Guangxi and Yunnan arrived in Beijing and was warmly welcomed. They will give reports on the counterattack in self-defence against the Vietnamese aggressors to the people of the capital.



Tapping the Potential of Existing Enterprises

Existing enterprises, which are the backbone of the country in accomplishing industrial modernization, have great potentialities that should be tapped to the full. This is an important policy defined in a *Renmin Ribao* editorial on May 10.

Fairly Comprehensive Industrial System. China has since liberation in 1949 set up a fairly large and evenly distributed industrial system with a solid material foundation and hundreds of thousands of industrial and mining enterprises throughout the country. Though the equipment in most of them is outdated, there are some enterprises with fairly modern equipment and a few with equipment of the latest models. The number of industrial workers has over the years increased from millions to tens of millions, and a good many experienced cadres and engineers and technicians have been trained.

These industrial and mining enterprises have played a big role in China's socialist construction in the past and will continue to play a major role in the four modernizations. Failure to see this and lack of self-confidence will lead to great errors.

This, of course, does not rule out the building of new enterprises and import of essential equipment from foreign countries to increase our ability to rely on ourselves and realize the four modernizations. Nevertheless, it is the existing

enterprises that will provide the money for importing advanced equipment, and it is these enterprises that will supply or help train the managing and technical personnel and skilled workers for enterprises equipped with imported machinery. It is obvious, therefore, that the four modernizations cannot be bought or borrowed, still less would they drop from the sky. They could only be accomplished by the brawn and brain of the Chinese people themselves.

Situation of Existing Enterprises. Judging by their present economic results, existing enterprises mainly fall under three categories. (1) Those which turn out good-quality, low-cost products with a good market and high profits. (2) Those which turn out products with a good market, but owing to objective or subjective reasons, some of them are not operating

normally, some turn out poor-quality products with little variety, and some produce high-cost goods with little profits or even at a loss. The overwhelming majority of enterprises in China today belong to this category. They can catch up with the first category provided efforts are made. The nation depends mainly on these two categories to bring about the four modernizations. The most pressing problem at present is the lack of supply of raw and other materials, fuel and power, thereby preventing these enterprises from operating at full capacity. (3) Those enterprises which turn out bad-quality, high-cost and unwanted goods and have incurred losses over a long period of time. Readjustments will be made with regard to these enterprises according to different conditions.



Workers and staff of a coal mine in Shanxi studying ways of tapping the potential of the coal pits.

Increasing Production and Practising Economy. To enable existing enterprises to play their role, it is essential to increase production and practise economy. It is imperative to solve the problem of excessive consumption of power, raw and other materials owing to backward techniques and poor management in some factories, particularly medium-sized and small factories. For instance, power consumption for making every ton of steel in China's medium-sized and small iron and steel plants is on the average 200-300 per cent higher than in countries with advanced techniques, and 100 to 200 per cent higher than that in the advanced units at home. Rate of steel utility in the machine-building industry is also low. All this shows that there is a great potential for increasing production and practising economy if improvements are made in enterprise management.

The *Renmin Ribao* editorial said in conclusion that in order to enable existing enterprises to play their full role, it is essential to mobilize the masses to tap their potentialities, and renovate and transform the existing equipment and technology. All difficulties will be overcome so long as the wisdom and ability of the hundreds of millions of workers and staff members are brought into play.

Brisk Rural Market

Farm and side-line products purchased by the state in the first quarter of this year showed a 20.6 per cent increase over that of the corresponding period of 1978. This figure, released



Peasants selling grain at a rural fair in Hebei Province.

by the Ministry of Commerce, reflects the changes that have taken place in China's vast rural areas. With more grain in their hands, the peasants are able to raise more pigs and poultry and sell them to the state.

It was estimated that the peasants had over five million tons more grain at their disposal last year. This was because the state left most of the surplus grain from increased production to the peasants themselves after last autumn's harvest in order to lighten their burden.

Despite serious natural calamities in some areas last year, no province asked for help this spring. On top of that, there was a greater amount of surplus grain sold by the peasants on rural fairs, where the average price of grain not only dropped 20 per cent compared with that of the same period of last year but also was slightly cheaper than in the last quarter of 1978. This was something that had not happened for a number of years.

More surplus grain means more and fatter pigs. Those purchased by state-owned commercial departments in the first three months of this year were on the average 3.75 kilogrammes heavier per head than in 1978. This is equivalent to an increase of over one million pigs.

The number of fresh eggs sold to the state rose by 67 per cent as compared with the same 1978 period. By the end of March, the number of eggs in reserve in commercial departments of Beijing, Tianjin and Shanghai had increased by 80 per cent. A number of provinces and cities have asked the China Foodstuff Company, whose headquarters is in Beijing, to ship more eggs from their places to other parts of China.

Rural fairs, which were banned for many years in many areas, have revived and are flourishing. There were more than 33,000 of them at the end of last year in various parts of the country, and a great variety

of farm and side-line products were on sale. According to a survey made at that time, the index of prices at these fairs dropped by 6.5 per cent as compared with that at the end of 1977. The prices of some goods were close to those fixed by the state, and a few others were even cheaper.

Thriving rural markets have helped raise the purchasing power of the peasants. With more cash in hand, the peasants can buy more industrial goods. In comparison with the first three months of last year, the amount of means of production sold to the rural areas in the first quarter shot up by 16.4 per cent, while the volume of consumer goods sold increased by 10.2 per cent.

Chemical fibres supplied by commercial departments to the rural areas in the first quarter registered an increase of 57 per cent over the same 1978 period. In the past, the peasants bought bicycles, sewing-machines and wrist-watches; now transistor radios are selling well in some areas. Peasants in suburban areas and some well-off communes and production brigades also buy television sets. In the first quarter of this year, television sets for the rural areas rose by 160 per cent.

Population Growth and Modernization

Latest statistics show that the population growth rate in Shanghai, China's most populous metropolis, has been brought down to 5.07 per thousand last year, the lowest for the whole country. In the most populous

province of Sichuan, the rate has dropped to 6.06 per thousand.

The rate of population growth in China has gradually decreased since the 1970s as a result of family planning. Compared with the early 70s, the rate of growth has now dropped by half. This is a remarkable achievement which proves that China's population growth can be put under control. And it must be brought under control to avert any adverse effect on socialist modernization.

In old China, population growth was in an anarchic state. Mortality rate was as high as birth rate, and natural growth was low. Since the founding of New China in 1949, the people's living standard and public health work have improved, and the mortality rate has dropped from 28 per thousand in pre-liberation days to 6 or 7 per thousand at present. There was a rapid increase in population in the 50s and 60s resulting from lack of family planning. This was why the rate of growth remained at 20 per thousand for quite a long time.

On May 15, *Renmin Ribao* published a signed article entitled "Population Growth Must Be Controlled." Among other things it said:

— The present labour force in China is almost equal to the total in the first and second worlds. A big population is an asset in construction, but it does not follow that the greater the labour force, the more advantageous it is.

— Compared with 30 years ago, China's farmland per capita has dropped by half. Arable

land for each agricultural labourer is even less than in Japan.

— Now approximately 10 million people will reach the age to join the country's labour force every year and arrangements have to be made for them to work or continue their studies. Without an adequate amount of means of production available, the increase in labour force will mean a drop instead of a rise in labour productivity.

— As China now has a bigger population than in the past and the number of women of child-bearing age is also greater, more children will be born every year in the future unless population growth is brought under control. Moreover, the newborns from now on will be dependants till the end of this century; they will consume large quantities of social wealth, thereby affecting the accumulation of funds for construction.

— Funds for popularizing education will have to be increased in the wake of population growth, while the money used for bringing up specialists will be decreased accordingly.

— Under socialism, the people's material and cultural well-being should be gradually improved on the basis of increased production. Quick population growth inevitably produces unfavourable results.

The article said in conclusion that while developing production at high speed, it is necessary to bring population growth under control so as to accomplish socialist modernization at an early date.

"One Red Heart and Two Preparations"

Institutions of higher learning in China will soon begin the work of enrolling students for the new school year. Entrance examinations throughout the country are scheduled for early July. Seven million graduates of middle schools and other youths wishing to further their studies in colleges and universities are urged to take a correct attitude towards the examinations and have "one red heart and two preparations." "Red heart" means the determination to make contributions to socialist modernization, while two preparations" means (1) if they succeed in passing the examinations, they will further their studies in the universities and (2) if they fail, they will subordinate themselves to the interests of the state and go to work where they are needed and at the same time widen their scientific and cultural knowledge through spare-time studies.

Before liberation in 1949 there were only 207 colleges and universities in China with 155,000 students. The number of such schools had increased to 434 with 670,000 students studying in them prior to the Great Cultural Revolution which began in 1966. At present, the number of students studying in institutions of higher learning is 27 per cent above that of 1965. However, this is only a small proportion of China's large population. The contradiction between the number of young people wishing to get a college education and the limited number enrolled each year will remain for a long time to come.

This contradiction is particularly acute this year. The reasons are many. Colleges and universities had stopped enrolling students for five years since 1966, and only a limited number were enrolled in the following few years. As a result, large numbers of educated youths working in various fields who wish to get more knowledge in the universities will sit for the examinations this year.

Reforms were made in 1977 in the system of enrolling college students. Fully tapping their potential and overcoming enormous difficulties, colleges and universities throughout the country enrolled 680,000 students who got the best marks in the entrance examinations. In this way, many talented youths had the opportunity to receive a college education. But like other fields of endeavour in China, education which suffered heavy damage for many years cannot develop quickly. The number of college students at present topped 850,000. This is a strain to the colleges and universities which do not have enough classrooms and dormitories as well as libraries and laboratories. Moreover, it is not possible for the state to allocate more funds for education at the present stage. To increase the enrolment of students under such circumstances, therefore, will unfavourably affect the raising of educational standards.

Principle for Enrolment. The basic principle is to take into consideration a student's moral, intellectual and physical qualifications. Those sitting for the entrance examinations should be under 25 (with the exception of those studying foreign languages who should be under 23, those studying other subjects can in

certain cases be under 28 if they get excellent marks); they should be unmarried and have the standard of a senior middle school graduate. If political and health qualifications are met (these are the pre-conditions), the students will be selected according to the marks they get. To be qualified politically, he or she must support the leadership of the Communist Party of China, love the socialist motherland, study hard, love labour and observe discipline.

Institutes of mining, petroleum and geology will, in enrolling new students, give priority to workers and staff members working in these fields and to graduates of senior middle schools in the mining areas. Institutes of agriculture and forestry will select their students from among activists in scientific and technical work in agriculture and graduates of senior middle schools in the farming and forest areas, while teachers' colleges will give top priority to teachers working in the countryside and medical colleges to barefoot doctors.

Due consideration will be given to students from Taiwan, Xianggang (Hongkong), Aomen (Macao) and returned overseas Chinese. In the case of students of minority nationalities, the standard required will be appropriately lowered.

Subjects of examination for those studying the arts are: politics, Chinese language, mathematics, history, geography and a foreign language; and those wishing to study natural science, engineering, agriculture and medicine will have to undergo examinations in politics, Chinese language, mathematics, physics, chemistry and a foreign language.

Stress on Moral Encouragement or Material Reward?

What should we stress? And what should socialist China mainly rely on to arouse the workers' enthusiasm? Moral encouragement or material reward? *Gongren Ribao* (Workers' Daily), which is circulated throughout the country, recently published letters from readers expressing differing views on this question. The discussion is still going on.

Chu Zhende, a trade union worker of Jiangdu County in Jiangsu Province, said in his letter that emphasis should be on moral encouragement. His argument was: In his county, enterprises which have combined ideological and political work with material reward have invariably increased production. On the other hand, using economic methods alone tends to encourage some workers to think only of their personal gains and losses, and this would result in strained relations between workers, adversely affect unity and make them lose sight of their lofty political goal.

Zou Yuan of Henan Province took exception to this. He was of the opinion that material reward should be emphasized and said that only when the socialist principle of "to each according to his work" is implemented and when the workers get tangible rewards will they raise their enthusiasm and work hard. This will benefit the state, the collective and the individual. Moral encouragement, he said, is abstract and empty.

Zhao Shu, a designer of the Beijing Woollen Blanket Fac-

tory, disagreed with him, saying that moral encouragement is not abstract, and does not mean just getting a certificate or a medal for one's merits, but has a concrete meaning and is an assessment of one's contribution to society.

Zhao wrote: "What encourages me most is not bonus, but to see the products I have designed being well received by the customers. I'm really delighted to see newlyweds buying the blankets I have designed."

"In our factory," he said, "we keep a detailed record of the work each comrade has done and the value he has created. In this way everyone knows how the wealth of society is created by the workers and peasants. When the newspapers or the radio and TV report the outstanding deeds of a comrade in our workshop, we take the opportunity to tell all the workers that the achievements of our workshop have been duly recognized by the state and the people and that our work is closely linked with the society as a whole." At the end of a year, this factory always calculates the value of the products it has increased during the year in terms of the number of buildings that can be put up with the money for the people or the amount of funds that can be provided for promoting education, so that the workers can clearly visualize the contributions they have made.

Zhao pointed out that this kind of education enables the workers to link their work with state, collective and their own interests. This leads to a rise in the workers' enthusiasm. "For more than ten years in

the past," he said, "our factory has topped state production quotas without giving any bonuses."

Jiang Shui, a worker from Jiangxian County in Shanxi Province, wrote in his letter: "Matter and consciousness are a pair of contradictions that make up a unity of opposites, and they are interdependent. It is not right to over-emphasize one to the neglect of the other. We must be careful not to jump from one extreme to the other. In the past we were deceived by the 'gang of four's' 'omnipotence of consciousness,' today we must not have blind faith in the 'omnipotence of bonuses.' The correct way to mobilize the workers' enthusiasm is to combine moral encouragement with material reward, with the emphasis on the former.



Education of Leading Cadres' Children

Leading cadres should educate their children to work hard for the accomplishment of socialist modernization and bring them up as worthy successors to the cause of revolution. This is one of the topics concerning youth recently discussed in the Chinese press.

In the early 50s Chairman Mao's eldest son was sent together with the Chinese People's Volunteers to fight against U.S. aggression in Korea. He laid down his life on the battlefield for the Korean people. Premier Zhou, who had no children of his own, encouraged his niece to settle in Inner Mongolia as an ordinary herdsman. Comrade Zhu De gave all his savings to the Party as his membership dues, instead of leaving them to his children. These fine examples set by the proletarian revolutionaries of the older generation will always be remembered by the Chinese people.

Many leading cadres today have carried forward this fine tradition of our Party in bringing up the younger generation. This is one of the reasons why large numbers of their children took a firm stand in the struggle against Lin Biao and the "gang of four" and why they have made contributions to socialist construction.

Young soldiers from cadres' families recently displayed their revolutionary heroism in the self-defensive counterattack against the Vietnamese aggressors. Many were commended for meritorious deeds. Zhen Ping, a 22-year-old platoon leader who was posthumously awarded first-class merit, was one of them. He was the son of Zhen Wenlin, deputy director of the political department of the division in which he served.

In the afternoon of February 27, two flares rose over Khau Ma Son, signalling that the road to Lang Son was blasted open. Zhen Ping was the first to lead his platoon to dash up to seize the mountain-top. But, unfortunately, he was shot dead by an

enemy sniper shortly after he had sent up a flare informing headquarters of their success in storming enemy positions. The news was soon relayed to Zhen Wenlin who said calmly without so much as showing his sorrow: "In making revolution you have to pay for it."

Many veteran cadres working in Party and government organizations and in the army have received certificates of citation for the meritorious deeds of their children who fought shoulder to shoulder with children from worker and peasant families in the counter-attack to defend the motherland's frontier areas. An article in *Jiefangjun Bao* warmly praised both generations for their dedication to the cause of socialism.

While praising these cadres for their services to the state, the press has also criticized other leading cadres who have taken advantage of their position and power to secure well-paid jobs and a comfortable life for their children.

In a May 6 article, for example, *Renmin Ribao* drew attention to some undesirable practices relating to assigning work for college graduates. In China college graduates are assigned to work in all parts of the country according to a unified plan. Party organizations of various colleges and universities are carrying out ideological and political work among the students so that they will gladly accept any work given them in any place. But, the article said, some leading cadres have begun requesting the school authorities to assign their children graduating this year to work in Beijing, Shanghai and other big cities. The

article quoted comrades in charge of the work as saying: How can we do our work if students from leading cadres' families refuse to accept jobs assigned to them? And what would happen if other students were to follow suit?

Earlier, *Renmin Ribao* brought to light a scandal in which Wang Xiaoping, the son of a main responsible cadre of Shanxi Province, cribbed while sitting for the college entrance examinations last year. An investigation made jointly by the provincial commission for inspecting Party discipline and departments concerned disclosed that before Wang was enrolled in the law department of Beijing University, he had used his father's influence to ask others to answer the examination papers for him.

The concept of prerogatives in some leading cadres' minds, the paper pointed out, has its root in feudal society which lasted for centuries in China. At that time once a man achieved success and gained fame and high position, his children would as a matter of course inherit his name and position. Such feudal concepts, the *Renmin Ribao* article pointed out, have nothing in common with the selfless and other fine qualities of a Communist Party member and must therefore be thoroughly eradicated.



The Way to Learn From Foreign Countries

A Commentator's article in "Guangming Ribao" (a national newspaper mainly carrying scientific and cultural news and articles) points out: In learning from the strong points of foreign countries, we must avoid their weaknesses and shortcomings. We must selectively introduce advanced technology and equipment to serve our needs, but at the same time we must give full scope to our creativeness so as to blaze a Chinese road to modernization.

TO learn from the advanced experience and to introduce and adopt all that is genuinely good from other countries is the watchword raised by our Party shortly after the founding of the People's Republic in 1949. But when the "gang of four" was on the rampage, China was virtually walled off from the outside world. That state of affairs has been changed by the Party Central Committee headed by Comrade Hua Guofeng after the toppling of the gang and contacts with other countries have been rapidly resumed. Burgeoning economic, political, scientific and technological and cultural exchanges with the outside world have vastly enlarged the Chinese people's field of vision.

An important question now facing us is: While upholding the principle of maintaining independence and taking the initiative in our own hands and relying on our own efforts, we should continuously change our position from one of seclusion or semi-seclusion to that of earnestly learning from foreign countries. The tendency of being full of conceit and not learning from other countries must be checked. Moreover, we must have a correct attitude and a proper method in learning from others.

Absorbing and Discarding

Marxists maintain that every nation in the world has both its strong points and short-

comings. Therefore, in learning from other countries it is imperative to acquire their strong points and avoid their shortcomings. To this end we should first of all get a clear idea of what are their strong points and what are their shortcomings.

Some countries, particularly those developed capitalist countries, lead the world in science and technology, which have grown into their present stage through several centuries' accumulation. This is where their strong points lie. Science and technology have no class nature and belong to the realm of productive forces, and we badly need them in our efforts to accomplish the four modernizations. We should, therefore, study and introduce foreign sophisticated science and technology in earnest.

Among the other strong points of capitalist countries worth studying are some of their ways and means of managing enterprises (such as efficiency, few managerial personnel; less overlapping labour, socialized services and rapid application of scientific research results to production). These belong to the science of management which has developed out of the rational organization of productive forces in large-scale socialized production. In addition, we shall use all the valuable things in foreign cultural achievements for our reference.

By capitalist countries' shortcomings, we mean their social system and their decadent bourgeois ideology and way of life. The capitalist social system can never get rid of the superprofits of millionaires, exploitation and plunder and economic crises. Nor can it establish a social morality or a social ideal upheld by all. Whatever form it may take, bourgeois democracy is solely for upholding the fundamental interests of the bourgeoisie. Decadent bourgeois ideology and way of life corrupt people's minds and can only lead them to degeneration, crime and despair. For this reason they should not be introduced but must be resisted and criticized.



Workers and technicians of a radio parts factory in Jiangsu Province discussing how to make better use of imported equipment.

Comrade Mao Zedong enjoined us long ago: "Our policy is to learn from the strong points of all nations and all countries, learn all that is genuinely good in the political, economic, scientific and technological fields and in literature and art. But we must learn with an analytical and critical eye, not blindly, and we mustn't copy everything indiscriminately and transplant mechanically. Naturally, we mustn't pick up their shortcomings and weak points" (*On the Ten Major Relationships*, 1956). To have blind faith in all foreign things or, to reject everything foreign without giving them a thought, is incorrect and is not Marxist.

The Habit of Analysis

It goes without saying that in any surging tide the main current is accompanied by incidental ones. As international exchanges proliferate, it is inconceivable for people to come into contact with advanced science and technology, modern economic management and other positive things from abroad without also coming into contact with bourgeois ideas, political views and way of life. Because of their inexperience and inability to see things clearly, some people, mainly among the young, took to all sorts of foreign things they came into contact with and even went so far as to ape foreigners. This is, in a sense, inevitable, but efforts should be made to check this. And the answer is to encourage people to foster the habit of analysis and treat foreign things in a scientific way.

Making foreign things serve China is another important principle to follow in learning from foreign countries. We should first of all have a clear idea of what are their strong points and what are their weaknesses and then selectively study and introduce those that are really good in the light of China's specific conditions and actual needs. Attention should be paid to effects; we should not and cannot indiscriminately transplant everything which is positive from abroad. For example, one of China's outstanding characteristics is its huge labour force and low productivity. This makes our country very different from many of the developed capitalist countries. In importing advanced technology and equipment, we should aim at improving the capabilities of our country instead of solely at saving labour. Things should be selected that are best suited to China's specific conditions, taking into consideration the improvement of labour productivity and the bringing of the existing labour force into full play. As to advanced foreign things needed only from a long-term point of view, we do not import them at present because we lack the necessary funds, power or ancillary techniques and equipment and because they are not urgently needed for expanding production. If they were imported they would not be able to be brought into full play. What we must do now is to make full use of our abundant manpower, and put all means of production (whether they are automatic,

mechanized or semi-mechanized) and even handicraft labour to work.

The most sophisticated technologies, equipment and economic management systems require men to operate them. This must be remembered, so in deciding what best to import, we must pay particular attention to training technical personnel who will have a thorough mastery of advanced foreign techniques and experience. Only thus can we make the best use of everything we bring in from abroad, expand our contingent of technicians and managers and thus accelerate the tempo of our work to bring about the four modernizations. The four modernizations cannot be bought with money.

Learning and Creating

We are not learning from foreign countries for the sake of learning. Our purpose is to shake off the backwardness of our national economy as early as possible and bring about the four modernizations within this century. We must study and acquire things that are good abroad and at the same time give full scope to our own creativity. In the present-day world,

material civilization is forging ahead at an unprecedented rate. What is modern today is still in the process of being modernized. Under such circumstances, if we only study and acquire but forget to create and if we only import and do not engage in development, then we will always lag behind others and it will be impossible for us to catch up with and surpass advanced world levels. As an old saying has it, if you copy the best you get mediocrity, if you copy something not so good you get something worse. If we want to catch up with and surpass some one, we must stand on a higher plane and be more far-sighted.

We must not be content to merely master and imitate imported things. We must, on the basis of absorbing them, transform, improve and develop them and turn out something more efficient and better in quality. We have to get rid of sloth and any sense of inferiority, foster lofty ideals and, in learning from foreign countries and creating new things, blaze China's own road to modernization.

(An abridged translation of an April 19 "Guangming Ribao" article.)

Policy on Importing Technology



TO bring about socialist modernization by the turn of the century, China must make good use of the technological achievements abroad and import advanced technologies and equipment suited to our specific conditions and needs. Over the past year or so, departments and places concerned have made extensive contacts with the industrial, agricultural, scientific and technological and financial circles in many countries and signed a number of contracts on the import of different projects; investigations and technical exchanges are under way in many other projects. We have made a start in economic and technological exchanges with other countries.

Import Priorities

The import of foreign technologies and equipment is an important and complex task

which must be pursued energetically and with circumspection. What to import and what not to import; what should be imported first and what should be imported next — this should be decided according to the actual conditions in our country and with priorities under an overall plan. We should be aware of both our needs and our capabilities. The import of advanced technologies is an important condition for improving our production, scientific research and management and basing our national economy as rapidly as possible on modern, up-to-date technologies. But we must not overlook the fact that our country has very little to start with, that its financial and material resources are limited and its technical and managerial levels are still rather low and, this being the case, we are not in a position to import more than we can handle. It is a case of more haste, less speed.



At the plastics plant of the Shanghai Petrochemical Complex whose equipment is imported.

bombs, hydrogen bombs and artificial satellites. Today, by relying on the foundation we now have, we are quite capable of producing much of the equipment we need. We must never belittle this foundation we have and we should not count solely on importing and building new projects.

In importing technology and equipment, we must oppose the idea that foreign equipment is invariably better than our own, the tendency to import everything and the mentality of looking down upon ourselves. We must oppose extravagance and spend-

ing freely. Things must not be imported blindly. We should not buy things from abroad which can be made at home, import complete sets of equipment when we can produce part of the equipment ourselves, and import more equipment which has already been imported. The four modernizations should be brought about through self-reliance and hard work, not through purchases or borrowing. It is imperative to keep to the revolutionary spirit of working hard and bring this spirit into fuller play, and spend our limited foreign exchange on what is needed most.

At present, priority must be given to the techniques and equipment which are more urgently needed, and which will yield quicker results and ensure profit at less cost. This will help the state accumulate funds for construction, improve the people's living standard and promote the development of the national economy. It goes without saying that advanced technology for some key branches must also be imported, without which the four modernizations are sure to be adversely affected. As to those which are not so urgently needed or may not be imported, they should be put off to later or abandoned altogether. This is the way to keep imports geared to the principle of readjusting the national economy and to actually accelerate the pace of socialist construction.

Import of Technologies and Equipment in Relation to Self-Reliance

What should we rely on in bringing about socialist modernization? Mainly on self-reliance, hard work and what we have now. Importing technology, that is, making use of the latest technologies from abroad, is aimed at improving our ability to do things by ourselves. We must base ourselves on self-reliance and what we have now. After 30 years of hard work, we have initially built an independent and fairly complete national economic system. The existing foundation is not small and has considerable potentials. This is the position from which we are to forge ahead. On the shambles left behind by the Kuomintang, we have succeeded, by relying on our own efforts, in making atom

We must study well and assimilate imported new technologies. The first thing to do is to study them conscientiously, make good use of them, thoroughly assimilate and master them and, after that, improve on them and create something new. This is the way to catch up with and surpass the advanced world levels. If we just import equipment without studying and assimilating them and making no effort to improve and develop them, and with science and technology striding ahead today, then some of the advanced technologies will possibly become backward in four to five years' time.

By buying more patents and manufacturing techniques in the light of our actual needs, we must build up our own strength, reinforce our own machine-building industry and our scientific research so as to have a developed machine-building industry of our own which will gradually provide the various branches of the national economy with complete sets of up-to-date equipment.

Balancing Imports and Exports

In importing technology, it is imperative to adhere to the policy of importing on the basis of our exports. In the relationship between imports and exports, the latter must be given primary importance. All departments and places, when contemplating imports, must first of all take into consideration their ability to pay and do their best to boost exports. Ours is a big country with rich resources and abundant manpower; we are completely in a position to increase our exports. We must energetically develop our tourist industry to earn more

foreign exchange. In short, we must boost exports to provide more funds for our socialist construction.

To meet import needs and boost exports, we must reform the structure governing foreign trade. We must set up a unified leading body to raise our work efficiency. We should enact laws and regulations concerning the use of foreign capital, compensatory trade, co-operative production, joint ventures and the financial management of bank loans

(Excerpts from May 8 "Renmin Ribao" editorial.)

How to Look at the Two-Line Struggle in the Party

by Li Honglin

Lin Biao and the "gang of four" spoke of inner-Party struggle as the most important thing and they distorted the history of our Party as merely the history of the struggle between the two lines. This article is a refutation of their viewpoint.

THE Communist Party is the product of class struggle, the tool of the proletariat in its struggle against the bourgeoisie and all other exploiting classes, and the headquarters which organizes and leads the proletariat and all the other revolutionary people in fighting the enemy.

However, Lin Biao and the "gang of four" held the view that the Communist Party came into existence to carry out struggles inside the Party rather than to mainly fight the enemy. And the history of the Party, they claimed, was the history of the inner-Party struggle between the two lines and so "the line decides and means everything." This was a gross distortion of Party history.

Fundamental Views

First of all, in speaking of the relationship between an inner-Party two-line struggle and the class struggle in society, it is the latter that engenders the former. This is because there are exploiting classes and petty bourgeoisie in society; and their interests and desires will in-

evitably find their way, through various channels, into the Party, with the result that some Party members, consciously or unconsciously, come under their influence and lean towards an erroneous viewpoint or line. This is the social class source of inner-Party struggles between the two lines. When classes are eliminated in human society, the Communist Party itself will wither away and, as a matter of course, there will be no more struggles between the two lines inside the Party.

Secondly, there are always contradictions inside the Party; they are a reflection within the Party of class contradictions and contradictions between things old and new in society. But not all contradictions inside the Party necessarily develop into two-line struggles. Some contradictions inside the Party are not related to Party line and they can be resolved anytime through democratic meetings inside the Party and through criticism and self-criticism. Thus, we must not raise each and every inner-Party struggle, both major and minor, to the high plane of a two-line struggle.

Thirdly, a struggle between the two lines inside the Party is not an end in itself, but a means to defeat the enemies of the revolution and achieve the goals set by the revolution. To make inner-Party struggle an end and forget

about the chief goal of the revolution will not do. The kind of "line consciousness" advocated by Lin Biao and the "gang of four" actually encouraged people to take up inner-Party struggle as a profession and engage specially in fault-finding, name-calling and cudgel-brandishing inside the Party by playing up everything *ad infinitum* as a matter of principle until those under attack went down and were counted out. This kind of "struggle between the two lines" is exactly what the enemies to the revolution want most of all. True, Communists do wage two-line struggle, but their primary task is to fight the enemy. In carrying out such struggles, their purpose is to defeat the enemy in a more effective way. Any two-line struggle which is not aimed at achieving this goal will only cause the Party to disintegrate.

Fourthly, inner-Party struggles are, generally speaking, an ideological struggle in nature among the Party members. Even when differences over a major question of principle come up (the highest form of such differences are those in line), they still are non-antagonistic contradictions among comrades. The way to resolve these contradictions is to practise democracy inside the Party and criticism and self-criticism. When ideological struggle fails to resolve the problem, the organizational principles laid down in the Party Constitution will be used as the last resort; that is, the individual is subordinate to the organization, the minority to the majority, the lower level to the higher level, and the entire Party to the Central Committee. Such is the discipline of the Party.

If and when Party members who take the side of the erroneous line have not come to see that they are wrong, they should continue to stay inside the Party as comrades as long as they observe the organizational principles of the Party, as long as they refrain from engaging in underhanded activities and setting up factions. These contradictions within the Party are entirely different in nature from those between the revolutionary people and their class enemies, and the methods to resolve them are also quite different; the two cannot be confused and regarded as one and the same thing. It is wrong to play them up freely and indefinitely as a matter of principle and to excessively struggle against them.

Of course, things change and develop. If and when those who commit mistakes persist in their mistakes and go on with these mistakes, violate the Party's organizational discipline or

carry out underhanded activities, then the contradictions inside the Party which are originally non-antagonistic in nature will become antagonistic ones. Take Chen Duxiu* (Chen Tu-hsiu) for instance. At first he made mistakes in line. Although the Party organization removed him from office as the General Secretary, he was still a Party member and his contradiction with other comrades in the Party was a non-antagonistic one within the Party. Later, when he banded together with the Trotskyites and engaged in anti-Party activities, the contradiction became antagonistic and so the Party decided to expel him. Expulsion from the Party is the most severe punishment the Party organization can impose on its members.

Instance of Another Kind

There is an instance of another kind as represented by the "gang of four." They were a counter-revolutionary group of conspirators who ganged up to usurp Party and state leadership. Taking advantage of the fact that life inside Party was not as democratic as it should have been, they managed to worm their way into the top leadership of the Party Central Committee and obtain a great deal of power so as to push their "Left" deviationist line ideologically, politically and organizationally; many people were taken in. They had their own programme, policies and "theories" as well as a number of people following their line. This constituted a two-line struggle.

During the struggle, something like the following occurred: There was our struggle against the "gang of four," a life-and-death struggle between ourselves and the enemy; in addition, among those who followed the line of the "gang of four," with the exception of a handful of enemies and newborn counter-revolutionaries who had sneaked into the Party (who made up their factional set-up), the overwhelming majority were those who had made mistakes but were capable of being set right, or, at least, people who could be won over to mend their ways. This being the case, the questions regarding most of these Party members who made mistakes in this two-line struggle are considered questions among Party members themselves.

* Chen Duxiu was a leader of the Chinese Communist Party during its early period. In the First Revolutionary Civil War (1924-27), he pushed a Right opportunist line which caused the revolution to end in failure.

From this it can be seen that a two-line struggle is merely one formal expression of the struggle between contradictions inside the Party; it does not cover the entire content of Party history, still less can it be identified as class struggle taking place between ourselves and the enemy. Lin Biao and the "gang of four," however, turned the whole thing upside down. As they saw it, the struggle between the two lines meant everything and once it took place, it was a contradiction between ourselves and the enemy. And so, Party history was reduced to "the history of two-line struggles." There were only endless inner-Party struggles aimed at overthrowing a number of people; how the Party leads the revolutionary masses in fighting the enemy of the revolution, or how struggles are waged to achieve the goals set by the revolution were out of sight.

Does the Line Decide Everything?

While distorting Party history in this manner, the "gang of four" also found a charm to protect themselves by misinterpreting a passage. When struggling against the Lin Biao anti-Party clique, Comrade Mao Zedong said: "The correctness or incorrectness of the ideological and political line decides everything."

How should one understand this?

Comrade Mao Zedong said this as a scientific conclusion after testing in revolutionary practice the various lines in Party history. It tells us that a revolution which breaks out under certain social conditions has its own objective laws. In order to successfully lead the revolution, the Communist Party must see that its line conforms with objective laws; failure to do so spells disaster. A line that conforms with the objective laws is a correct line; a line that does not is an incorrect line. How are we to determine whether a line is correct or not? Through practice. This is the only criterion for checking up on each and every thing in the subjective world.

The line of a political party is drawn up according to objective reality as the party sees it. Philosophically, this is a sort of reflection mirroring the laws of the development of a revolution (including construction) in the form of a political line. A law is objective, whereas its reflection is subjective. When the subjective is at one with the objective, it is correct. When people act in accordance with a correct line, the revolutionary cause will develop and expand.

When the subjective is not at one with the objective, it is erroneous. When people act in accordance with an erroneous line, they will certainly come to naught everywhere and lose every fruit of the revolution like a prodigal son squandering the family fortune. So, what Comrade Mao Zedong was talking about here was the reaction of the subjective to the objective.

But no truth should be exaggerated, for to do such will turn it into its opposite. The "gang of four" did just this by distorting Chairman Mao's saying into "the line decides every thing." In fact, Comrade Mao meant "the *correctness or incorrectness* of the line" decides everything in so far as the *success or failure* of the revolution is concerned. As to its "correctness or incorrectness," it depends on whether the line conforms with reality. And to judge whether it is so, practice is the only criterion. If emphasis is laid in an abstract way on "the line decides everything" with no reference to all these conditions, isn't it purely idealist?

How This Reactionary "Theory" Was Formed

The distortion of Party history in such a way clearly demonstrates where the interests of this counter-revolutionary clique lay and what its traits were. The "gang of four" declared that the inner-Party struggle was the most important thing so as to cover up their criminal deeds of cruelly struggling against the good cadres in our Party and relentlessly dealing blows at them. They wanted to usurp Party and state leadership, but they didn't have any capital. They were only capable of carrying out unbridled struggles inside the Party. They were real experts in waging cruel struggles inside the Party; the phrase "class enemies both inside and outside the Party" for a while became a platitude of the gang. They always handled the two-line struggle inside the Party as a contradiction between ourselves and the enemy. Under such a principle, it was not surprising that Party members who made mistakes in line were treated like they were imperialists or reactionaries.

Later, even the term "class enemies both inside and outside the Party" seemed to be inadequate because it placed the "enemy" inside the Party on the same footing as the enemy outside the Party, a thing that did not serve the purpose of the "gang of four." What they wanted was to give "the enemy inside the Party" prime importance so as to destroy our Party from within. Hence, the "theory" of "the latest

(Continued on p. 27.)

China's Stand on the Question of Disarmament

ON May 14 the Disarmament Commission, composed of all U.N. members, opened its first formal session at the United Nations to discuss the contents of the comprehensive disarmament programme. Lai Yali, Chairman of the Chinese Delegation to the month-long session, delivered a speech at the plenary meeting on May 15 in which he expounded China's stand on disarmament and put forward a proposal on a comprehensive disarmament programme for the meeting to examine. His speech dealt with the following questions:

U.S.-U.S.S.R. Nuclear Agreement. Since the Special Session of the General Assembly on Disarmament last May, the international situation has further developed, not towards relaxation, but towards greater tension. The factors for war have continued to grow, and the whole world has found itself in greater turbulence and unrest. A salient feature of this development is the continued intensification of the arms race between the two superpowers.

The military expenditures of the Soviet Union and the United States have continued to rise year after year, with their respective 1978 expenditures considerably in excess of 100,000 million U.S. dollars and greater than the total military expenditures for more than 150 countries. At present, the strategic nuclear arms race between them with the MIRVed missile as its focus is unprecedentedly fierce. In the past year each side increased its strategic nuclear warheads by more than a thousand, and the Soviet Union deployed large numbers of new-type missiles, including the SS-20 missile, and strategic bombers.

They have stepped up their pace of replacing strategic weapons and developing a new generation of them in a desperate move to seek nuclear superiority. The recent SALT II agreement reached between the United States and the Soviet Union, like similar earlier agreements, cannot cover up, still less limit, their intensification of the nuclear arms race. At the same

time, they are continuing to expand their conventional armament and to vie with each other in developing new weapons of mass destruction and chemical weapons.

In a word, both the nuclear and conventional arsenals of the superpowers are rapidly increasing. A new round in the arms race between the superpowers was already beginning even before the ink on the resolution of the special session had dried.

Struggle for Disarmament Must Be Combined With Fight Against Hegemonism. Another sign of great turbulence in the international situation is the fact that the superpowers have stepped up the implementation of their policies of aggression and expansion by relying on their massive military strength. The one that boasts of its global "offensive strategy" shows more vigorous momentum in expansion. Reaching out its hands everywhere, it has accelerated its strategic deployment for world domination. While increasing its military threat to Europe, it is energetically pushing a policy of driving southward, seeking breakthroughs in Africa and the Middle East in an attempt to outflank and encircle Europe. It has also carried out a series of expansionist activities in South Asia and Southeast Asia in an ambitious attempt to establish an "Asian collective security system." It is using every possible means to achieve its end, from scheming for subversion to moves to "divide and control," war by proxy and flagrant support of armed aggression and indefinite military occupation. All this goes to show that the danger of war resulting from superpower hegemonist policies is ever more seriously threatening the people of the world.

We consider that in the present situation, the people of the world must combine their struggle for disarmament with that against aggression, expansion and hegemonism. We should call on the superpowers to assume disarmament commitments, but at the same time we should do much down-to-earth work in other

fields and fight constantly against the super-power policies of aggression and expansion. Only thus will we be able to prevent world war and safeguard international peace and security.

China Favours Genuine Disarmament. The Chinese Government and people are always in favour of genuine disarmament and support all the reasonable disarmament proposals made by the small and medium-sized countries. We have not only put forward a series of positive disarmament proposals but also have taken actions which accord with the desires and interests of the world's people. We have done this in the past and we will continue to do so in the future.

China is a peace-loving country, and the Chinese people ardently love peace. Like the people of other countries, the Chinese people

are firmly opposed to a new world war. This is not a measure of expediency but a fundamental principle of our foreign policy, which is determined by our socialist system. We Chinese people are now working hard to attain the great goal of the four modernizations (modernization of agriculture, industry, national defence and science and technology). We need a peaceful and stable international environment. The aim of our people of various nationalities is to maintain peace and build socialism, and we will spare no effort to attain this aim. At the same time, we are soberly aware that the danger of world war still exists. We are determined to work together with all peace-loving countries and people in the world for the cause of world peace and human progress.

China's Proposal on the Elements of A Comprehensive Programme of Disarmament

— Put forward by the Chinese Delegation at the U.N.
Disarmament Commission on May 15

I. Objective of the Comprehensive Programme of Disarmament:

The objective of the comprehensive programme of disarmament is, by formulating reasonable principles and practical and effective measures for disarmament, to promote real progress in disarmament, oppose a new world war and all armed aggression and safeguard international peace and security.

II. The Programme Should Include the Following Main Principles:

(1) For the purpose of safeguarding international peace and security, relations between states must be based on the principles of mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit and peaceful coexistence. No state may seek hegemony in any form and in any part of the world or subject other states to aggression, interference, subversion, expansion or control. No disarmament measure may impair the sovereignty, independence and security of any state.

(2) In order to safeguard the security of all states, the two states with the largest nuclear and conventional arsenals have the primary responsibility for disarmament and should be the first to reduce their armaments. When they have drastically reduced their nuclear and conventional armaments and closed the huge gap between them and the other nuclear states and militarily significant states, the other nuclear states and militarily significant states should join them in reducing armaments according to reasonable ratios.

(3) It is imperative to bring about the complete prohibition and total destruction of nuclear weapons so as truly to eliminate the danger of nuclear war. While nuclear disarmament is being considered, equal importance should be given to the question of reducing the super-powers' ever-growing arsenals of conventional armaments, and disarmament in these two fields should be carried out in conjunction. Full attention should also be paid to the prohibition and destruction of biological and chemical weapons and other weapons of mass destruction.

(4) The actual process of disarmament should benefit the economic and social development of states. The superpowers are spending huge sums on the arms race, which not only increases the danger of war and jeopardizes international peace and security, but also hinders the establishment of a new international economic order. Their military expenditures account for two-thirds of the military budgets of all countries put together, so it is only natural that they should be called on first of all to reduce greatly their military expenditures and to make real contributions to aiding the developing countries.

(5) No disarmament measure may prejudice the right of states to make use of modern scientific and technological achievements to promote their economic development. The superpowers must be prevented from using disarmament and the non-proliferation of nuclear weapons as pretexts to deprive other states of their right to use nuclear energy and develop their nuclear industries for peaceful purposes.

(6) While formulating more comprehensive disarmament measures, importance should be attached to limited-scope measures, including regional measures. Zones of peace or nuclear weapon-free zones shall be established in the light of the specific conditions prevailing in different parts of the world and the desire of the states in the regions concerned. These zones shall be free from rivalry for hegemony between the superpowers, foreign military presence in all its forms, all armed occupation of other countries' territory and direct or indirect armed intervention and the threat of force. All nuclear states shall unconditionally undertake not to use or threaten to use nuclear weapons against these zones.

(7) The question of disarmament concerns the security and interests of all states and should be discussed and settled by all states on an equal footing. The organization and procedures of the disarmament machinery should be democratized; they should be free from superpower manipulation and control and should fully reflect the demands and wishes of all states in the world.

(8) The role of the United Nations in the field of disarmament should be strengthened. The United Nations General Assembly shall be kept informed of progress in all bilateral and multilateral disarmament negotiations. All parties to disarmament negotiations should earnestly consider and respect the recommendations and calls made by the General Assembly.

(9) Disarmament agreements should provide for strict and effective measures of international control to ensure their effective implementation. No control or verification measure may prejudice the sovereignty and security of any state.

(10) The people of the world should be fully informed about the intensification of the arms race between the superpowers, the increasing danger of war and the lack of progress in disarmament in order to get active mass participation in the struggle for disarmament and the defence of world peace.

III. The Comprehensive Programme of Disarmament Should Provide for the Following Main Measures:

(1) Nuclear Disarmament

1. The ultimate aim of nuclear disarmament is the complete prohibition and total destruction of nuclear weapons and their means of delivery.

2. Pending agreement by the nuclear states on the non-use of nuclear weapons, all nuclear states, the two states with the largest nuclear arsenals in particular, shall unconditionally undertake not to use or threaten to use nuclear weapons against the non-nuclear-weapon states and nuclear-weapon-free zones.

3. The two states with the largest nuclear arsenals shall immediately stop their nuclear arms race, cease all activities aimed at improving the quality and increasing the quantity of their nuclear weapons and begin to reduce and destroy their nuclear weapons by stages. When substantial progress has been made in the destruction of their nuclear weapons, thus closing the huge gap between their nuclear arsenals and those of the other nuclear states to the satisfaction of the majority of states, the other nuclear states shall then join them in negotiations for the total destruction of nuclear weapons.

(2) Reduction of Conventional Weapons

1. As a step preceding the reduction of conventional weapons, the two states with the largest conventional arsenals shall renounce military intervention in and threat of force against other states, both direct and indirect, withdraw all their troops stationed abroad and dismantle all their military bases on foreign soil.

2. The two states with the largest conventional arsenals shall first greatly reduce their conventional weapons and equipment. They can start by reducing the number of such heavy

weapons as tanks, aircraft, warships and artillery. When substantial progress has been made in this regard, the other militarily significant states shall join them in reducing conventional armaments according to reasonable ratios.

(3) Prohibition of Chemical and Biological Weapons

1. All chemical and biological weapons shall be completely prohibited and totally destroyed. Pending the attainment of this goal, all states shall unequivocally undertake not to use any chemical or biological weapons.

2. A convention on the complete prohibition and total destruction of all chemical and biological weapons shall be negotiated and concluded as soon as possible.

(4) Prohibition of All New Weapons of Mass Destruction

The two superpowers shall immediately stop the research, development and production of all new weapons of mass destruction and renounce their use.

(5) Establishment of Zones of Peace

1. At the request of the states in the region, Southeast Asia should be declared a zone of peace, freedom and neutrality. All attempts by any state to seek any form of hegemony in this

zone are prohibited, all foreign troops shall be withdrawn, all foreign military bases dismantled and all foreign aggression, expansion, interference and control eliminated.

2. The position of declaring the Indian Ocean a zone of peace should be respected by all states, the two superpowers in particular. Activities of rivalry for hegemony between the superpowers must be put an end to. The independence and sovereignty of the littoral and hinterland states there should be strictly respected. There must be no military threat, aggression or expansion in any form directed against these states.

3. In conformity with the desire of the countries in the region, the Mediterranean should be declared a zone of peace.

(6) Nuclear-Weapon-Free Zones

1. All nuclear states shall respect the status of the nuclear-weapon-free zones and unconditionally undertake not to use or threaten to use nuclear weapons against these zones.

2. The status of the nuclear-free zone in Latin America shall be respected by all states.

3. In conformity with the common desires of the states in the respective regions, nuclear-weapon-free zones shall be established in the Middle East, Africa, South Asia, etc.

Economic Troubles for Soviet Union

DURING the Supreme Soviet elections held in early March, leaders of the Soviet Party, Government and army spoke much about the Soviet economic problems. While boasting about economic achievements and glossing over deficiencies, the Soviet leaders had to admit that "the Soviet Union has not been able to solve many long-standing, big and difficult problems in the Soviet economy." In other words, they were worried.

Low Economic Growth Rate

One long-standing, big and difficult problem is the persistent, low economic growth rate. The main economic targets have gone up somewhat, but since the mid-50s, more particularly in the 1970s, the annual growth rate has gone down 1 to 2 per cent year after year. The average

annual growth rate of the national income has dropped from 11 per cent in the 1950s to 4.3 per cent in 1977; the growth rate for total industrial output value declined from 13.1 per cent to 5.3 per cent. The growth rate of total agricultural output value has fluctuated at a low level. Last year was described as "a good year" by the Soviet Union and Soviet propaganda made much of "fulfilment" and "overfulfilment" of national economic and social development targets. But Western analysts were quick to point out that the targets set for 1978 were among the lowest in history. For example, the national income growth rate for 1978 just attained the 4 per cent target, a lower figure than the average annual growth rate since Khrushchov came to power. It also was lower than the annual target set for the 10th Five-Year Plan (1976-80). This also holds

true for the annual growth rate of industrial output value. Moreover, such low, pared-down targets set for 1978 for many items were not even attained. A comparison of the figures published by the Soviet Central Statistical Board with the targets set in the plan shows that electrical power production was short by 5,000 million kilowatt-hours, oil production by 3 million tons, steel by 1.6 million tons, and finished rolled steel products by 1.3 million tons. The production of steel, rolled steel, coal, phosphate fertilizer and cement fell short of the planned targets for three years running. Cement output went down as compared with 1977. Output of textiles, chemical fibres, A.C. motors, forging presses, synthetic detergents, ceramics and so on was below planned targets. All this shows that the Soviet economy has not been able to get out of its lethargic state.

The Plenary Meeting of the Central Committee of the Soviet Party held last November called attention to the fuel and power industry which was described as a "key sector" decisive for the development of the Soviet economy. However, the exploitation of oil, an important aspect of the fuel and power industry, is beset with difficulties and is getting more and more expensive. Output in some old oilfields has dropped; exploitation of the new oilfields in the eastern part of the country is slow because of adverse natural conditions, lack of transport facilities and a shortage of capital, technological equipment and labour. The growth rate of oil production cannot meet the needs of domestic oil consumption and oil exports for foreign exchange. The Soviet oil supply is showing signs of a shortage. The situation in coal production is not promising either.

Steel Shortage

In the past 15 years, the Soviet leading clique has done its utmost to increase the production of steel, rolled steel and pig iron to build up its military and economic might in its scramble for world supremacy. Statistics show that capital construction investments in the Soviet iron and steel industry between 1971 and 1975 were three times those invested between 1958 and 1960. Although the Soviet Union has surpassed the United States in steel output in the last few years, it also has enormously increased its import of ferrous metals. Statistics from the *Soviet Foreign Trade Year Book* show that in 1971 the Soviet Union imported ferrous metals worth 600 million rubles, 1.8 million tons of steel products, and 1.4 million tons of steel pipes; in 1975 it imported ferrous metals worth

2,400 million rubles, close to 4 million tons of steel products and 2.2 million tons of steel pipes. Over the past three years, the amount of these imports and the proportion they occupied in total imports far exceeded those for 1971.

The Soviet paper *Izvestia* in a recent article said: "Our steel output today (1978) has reached 151 million tons, making up nearly one fifth of the world's total, and greater than any other country can produce. In terms of total output or per capita output, it is very high, but inexplicably, it still cannot meet demands."

Where have these large quantities of Soviet steel gone to? The Soviet press had this to say: "The disparity between the steel output and manufactured steel is very wide. This year, the Soviet Union plans to turn out 156 million tons of steel and plans to use this huge amount of steel to turn out 108.7 million tons of finished rolled products, 18.2 million tons of steel pipes, and 9 million tons of molten steel for foundry production. The disparity between total steel output and the amount of manufactured steel is more than 20 million tons." (*Pravda*, January 22.)

"The Soviet Union turns out less machines and other products with the same amount of metal than, say, the United States or Japan." "Our country (the Soviet Union) turns out 20 per cent more steel and 32 per cent more iron than the United States but we manufacture about 20 per cent less industrial products than that country. Therefore, the total amount of metal used in the Soviet industry is correspondingly 50 to 60 per cent higher than the level of the United States." (The Soviet journal *United States*, No. 5, 1978.)

• The above shows to a certain extent that the Soviet Union, though surpassing the United States in steel output, falls far behind it in making efficient use of the steel in the national economy. Much steel is wasted.

However, the major reason for the Soviet steel shortage lies in the use of growing amounts of iron and steel to expand armaments for war preparations. Over the past few years, the Kremlin has energetically boosted its armament production under the pretext of developing its heavy industry. The Soviet arms and ammunition industry grows far faster than its steel output. In the ten years from 1965 to 1975, the machine-building industry, devoted in large measure to armament production, grew three times faster than the iron and steel industry.

(Continued on p. 29.)

SALT II Agreement

New Stage in Soviet-U.S. Nuclear Arms Race

AFTER nearly 300 meetings since the Soviet Union and the United States started negotiating the second phase of the strategic arms limitation talks in November 1972, it has been reported that a SALT II agreement will soon be signed.

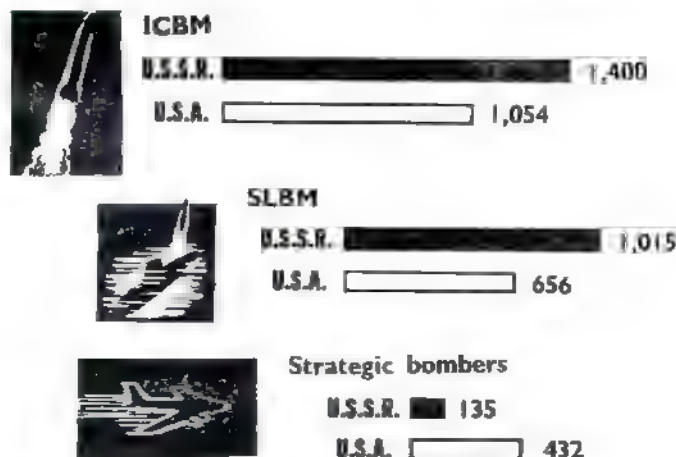
We do not object to the two superpowers negotiating a "limit" on their nuclear weapons and concluding such "agreements" for, after all, it is their own business. But since they insist on ascribing miraculous powers to these talks and agreements, it is entirely another matter; for such assertions undermine the militancy of the people of the world in opposing hegemonism and safeguarding world peace and lull their vigilance against a new world war.

Does, as they claim, the signing of a nuclear agreement between the Soviet Union and the United States really guarantee world peace and save the lives of all people? Let's have a look at the new agreement.

Fixing the "Upper Balance"

According to official U.S. sources, the new agreement, which will be in force until 1985,

SOVIET AND U.S. STRATEGIC FORCES IN 1978



includes a protocol effective to the end of 1981 and a joint statement of principles which will constitute a set of guidelines for the SALT III negotiations. The new agreement is in three parts; its main point being the setting of new "limits" for nuclear weapon delivery vehicles (NWDVs), with the Soviet Union and the United States each permitted to have 2,250 by 1985. Of this total, relatively high "ceilings" have been put on the intercontinental ballistic missiles (ICBMs) and submarine-launched ballistic missiles (SLBMs) carrying multiple independently targetable reentry vehicles (MIRVs) and the number of warheads per delivery vehicle. The agreement stipulates that for three years the two sides will not be allowed to trial-produce or develop new strategic nuclear weapons. The agreement also restricts the range of U.S. land-based cruise missiles and the number of U.S. bombers carrying such missiles, but the Soviet Backfire bomber has not been included in the restricted total as it has not been classified as a strategic weapon.

Actually the new "limits" on NWDVs are nothing to boast about. Although the number of NWDVs is 150 less than the limit of 2,400 set for each side in the 1974 Haishenwei (Vladivostok) accords, the 1974 "ceiling" was really legalizing the Soviet Union's perniciously expanding nuclear arsenal; for it was nearly twice the 1,269 strategic NWDVs that were in the Soviet Union's stockpile when the Soviet-U.S. nuclear talks began. So what actually amounted to nuclear arms expansion was passed off as nuclear "disarmament." This slight reduction in the present agreement from the huge 1974 baseline figure is now being touted as a "limitation" of nuclear weapons. This is a disgraceful manoeuvre to fool the peace-loving people of all countries in the world.

The agreement stipulates that each side is permitted to have up to 1,320 NWDVs consisting of a mix of bombers with cruise missiles and MIRVed ICBMs and SLBMs, almost twice what is in the present Soviet arsenal and some 300 above what the United States has today.

Furthermore, the agreement allows both sides to develop a new-type land-based ICBM, increase their stockpiles of nuclear warheads by some 4,000 and develop as many new types of submarine-launched missiles as they wish. Therefore, the agreement is setting an "upper balance" on the number of nuclear weapons for each side instead of "limiting" their stocks.

New Round of Nuclear Arms Race Begins

The agreement places absolutely no restrictions on either side's improving the quality, such as the accuracy and guidance systems, of its strategic nuclear weapons. But the main feature of the arms race since SALT I was concluded has been the race to improve the quality of weaponry—the key to future nuclear superiority.

There is no doubt that SALT II enables the Soviet Union to legally deploy a great number of heavy MIRVed ICBMs, maintain its superiority in the total throw weight of its strategic nuclear weapons, and continue to improve the quality of its nuclear weapons by increasing the accuracy of its ICBMs and trial-producing and developing certain new strategic weapons to overwhelm its rival. Although the agreement defines the new missiles it restricts, it does not affect those being developed and deployed by both sides today. For example, there are no restrictions on the U.S. Trident I SLBM and the Soviet SS-NX-18 SLBM. The United States has clearly stated that to counter the Soviet nuclear force, it is going to develop a land-based mobile M-X ICBM and a MIRVed Trident II SLBM. Meanwhile, the Soviet Union is speeding up the deployment and development of its MIRVed SS-17, SS-18 and SS-19 ICBMs and is developing a new generation of missiles which will carry at least twice as many warheads as do its present missiles. Therefore a new round in the Soviet-U.S. nuclear arms race which is focused on improving the quality of weaponry has commenced before the conclusion of the new agreement.

For a long time, the subject of argument in the Soviet-U.S. SALT II negotiations was the question of "limiting" the Soviet Backfire strategic bomber and the U.S. cruise missile. It has

been revealed that the new agreement formally places certain curbs on cruise missiles while it does not include the Backfire bomber in the total number of NWDVs permitted. In fact, the Kremlin long ago produced and deployed over a hundred of these bombers. The United States has now reportedly demanded that the Soviet Union "guarantee" not to deploy these bombers against the United States. However, even if the Soviet Union gives such assurances in the form of a statement or a verbal guarantee, it can turn out 30 or more Backfire bombers each year which will only temporarily not be deployed against the United States. It should be asked what real significance there is in the so-called guarantee against deployment when Backfire bombers are being produced.

In short, the new agreement places some restrictions on the quantity but not on the quality of weaponry. Moreover there will be a continuous "upper balance" in the number of MIRVed missiles. As for the so-called three-year protocol restricting the quality of weapons, it only covers those areas where it is generally felt no technological breakthrough is possible within the next three years or those items which are hard to verify. The American people's apprehension about verification is not without grounds. As for the ban on deploying new strategic weapons in the coming three years, it is an empty promise; for the new generation of strategic weapons which the Soviet Union and the United States intend to produce are still in the early stages of development and, as the ban will be lifted in three years' time, it really does not impede this aspect of the arms race.

It should also be pointed out that on the eve of the new agreement, Moscow and Washington are stepping up their race in MIRVed intermediate-range ballistic missiles (IRBMs) in Europe. The British *Daily Telegraph* defence correspondent reported that under the proposed SALT II agreement, "the Americans have agreed not to deploy land-based cruise missiles in Europe or to pass on technical information" to the West European countries. Thus they feel exposed for Moscow has already deployed in Europe intermediate-range mobile SS-20 missiles carrying three warheads, missiles which are not "limited" but "can cover targets anywhere in Western Europe from the North Cape to Gibraltar." Furthermore, it has also recently deployed its new tactical SS-21 missiles in East Germany. The consensus in Europe is that the Soviet Union is determined to retain its nuclear superiority in Europe while

maintaining an approximate balance with the United States in ICBMs. To allay the fears of its West European allies, the United States is "considering" equipping Western Europe with Pershing II and other tactical nuclear weapon systems which would counter the Soviet nuclear force in Europe. The West European countries themselves also have begun to pay attention to strengthening their hand against the Soviet nuclear threat.

Don't Believe the "Detente" Myth

The superpowers' nuclear arms race will definitely not slacken because of some agreements written on a scrap of paper. After the conclusion of the SALT I accord in 1972, the Soviet Union and the United States announced that they were going to negotiate a "permanent" strategic arms limitation treaty. However, nothing "permanent" came out of the six and a half years of negotiations. This shows that the nuclear arms race will inevitably continue. As the superpowers are heavily burdened by the military expenditures for their nuclear arms race, they want to change some of the ground rules for the race, with each hoping to restrict and overwhelm the other in the near future. Actually, the focus of the two sides' nuclear arms race has been shifting from quantity to quality since 1972. Therefore, a slight reduction in numbers is of no consequence. As public opinion in the Western countries points out, the new SALT agreement merely starts another round in the nuclear arms race under a new set of rules. The Soviet Union particularly needs SALT II to play

up its hoax of a "detente" so as to cover up its arms expansion and war preparations.

It is still fresh in people's minds that Moscow greatly accelerated the development of its conventional arms over the last decade or so while talking about nuclear disarmament. During the ten years of Soviet-U.S. nuclear negotiations, the Soviet Union increased its troop strength in Central Europe by more than 100,000, its tanks by 40 per cent and its artillery by 100 per cent. Furthermore, in recent years the Soviet Union speeded up the reequipment of its forces in Eastern Europe, particularly by replacing its T-62 and T-55 tanks with T-72's. From the 60s to the 70s, the Soviet Union increased its armed forces by a million men so that its total troop strength is double that of the United States. It has also developed offensive ocean-going fleets which threaten all corners of the globe and in the last two years has successively launched and commissioned aircraft carriers. Meanwhile, both the Soviet Union and the West are constantly holding huge war manoeuvres, each taking the other side as the imaginary enemy. These and many other facts show that there is no such thing as "military detente" or "giving up of the arms race."

In the final analysis, Soviet-U.S. contention for world hegemony is the root cause of the arms race. When the contention between the two superpowers is intensifying and the Soviet Union is feverishly pursuing its expansionist global strategy, it is highly dangerous to put any faith in Moscow's myth of "detente."

Soviet Nuclear Expansion Gathers Momentum

THE Soviet-U.S. SALT II agreement has been reached in principle. Soviet leaders have proclaimed that the new agreement will have "a favourable effect on the entire international climate" and help mankind "rid itself of the heavy burden brought on by a dangerous arms race." Certain Americans have asserted that the agreement will "effectively limit" the development of strategic nuclear weapons and act as a "mutual restraint" on the United States and the Soviet Union.

Similar assertions were heard in 1972 when the Soviet-U.S. SALT I treaty was signed. However, the arms race between the two superpowers has since then continued unabated. This is particularly true with the aggressive Soviet social-imperialists who have accelerated their development of nuclear weapons in a more and more unrestrained way. A review of the trend in the last seven years will help people understand how things stand now.

Quantity. In 1972, Soviet strategic weapons totalled 2,167; the United States had 2,165. The



SALT I treaty stipulated a ceiling of 2,358 for the Soviet Union. That is to say, Moscow was not restrained in its arms development, but rather was allowed to produce more weapons. By 1978, the total number of Soviet strategic weapons had increased to 2,550, or 408 more than that of the United States. Recently, U.S. intelligence agencies discovered that the Soviet Union has about 1,000 intercontinental missiles stocked outside launching silos, and were therefore not taken into account during the SALT talks. This makes the number of Soviet strategic nuclear weapons well above the SALT I treaty ceiling.

Quality. In recent years, the Soviet Union has vastly improved its nuclear weapons and has made a technological breakthrough in MIRVs. In 1974 when the United States had already deployed over 800 multiple warhead missiles, the Soviet Union had none. But the Soviet Union today has developed and deployed four types of new ICBMs—SS-16, SS-17, SS-18, and SS-19, three of which are MIRVed. In addition, Moscow has produced and deployed the mobile, MIRVed intermediate-range SS-20 missile. As the London-based International Institute for Strategic Studies estimated, the Soviet Union has deployed at least 370 new multiple- and single-warhead missiles and is speeding up its deployment at an annual rate of 100 to 150 missiles.

Accuracy. In 1972, there was still a rather big gap in accuracy between the Soviet and U.S. intercontinental missiles. Washington expected that Moscow would not effectively improve the accuracy of its intercontinental missiles until the mid-1980s. But the accuracy of Soviet SS-18 and SS-19 missiles tested last year surpasses that of the U.S. Minuteman III. This was a shock to the United States.

SLBMs. While improving its land-based intercontinental missiles, the Soviet Union is also stepping up trial-producing and deploying its submarine-launched ballistic missiles. The West believes that missile submarines could survive the first nuclear strike since it is easy to cover up their movements. The United States therefore started very early to develop SLBMs, and once led the field. But after 1973, the Soviet Union has gone all out to catch up. In 1978, the number of Soviet submarine-launched missiles reached 1,015, more than double that of its 1972 total. Moscow is now building a huge missile submarine, the *Typhoon*, which can fire 20 to 24 SS-NX-18 long-range ballistic missiles, each armed with three nuclear warheads and having a range of more than 7,000 kilometres so that the United States is within reach from the waters off Murmansk.

Strategic Air Defence Force. While developing more offensive nuclear weapons, the Soviet Union is striving to build up its strategic air defence force. It now has "the largest strategic air defence force in the world" which includes four anti-ballistic missile launching sites, over 6,000 radars, 2,600 interceptors and upwards of 10,000 anti-aircraft missiles. The United States, lagging far behind in this field, is no match for the Soviet Union.

Some Americans claimed that as the new SALT agreement has set the NWDV ceiling at 2,250, the Soviet Union will have to cut down its missiles by about 250, whereas the United States will make no cuts. But owing to its deployment of multiple warhead missiles and its possession of larger missiles, the Soviet Union enjoys superiority in interceptive capability and in other fields. Obviously, this more than makes up for whatever reduction it may make. Moreover, it must be noted that, even during the Soviet-U.S. nuclear talks, Moscow had begun manufacturing its fifth generation of intercontinental missiles, i.e., SS-22, SS-23, SS-24 and SS-25. According to a report of the U.S. Congress budget office, by 1985, Soviet units armed with land-based intercontinental missiles will be able to deploy 6,654 warheads, with a total yield of 7,131 megatons. The United States leads the Soviet Union in the total number of warheads, but as far as land-based intercontinental missiles are concerned, the United States will have only 2,154 warheads with a total yield of 1,216 megatons. The total yield of Soviet land-based intercontinental missiles will be more than double those of the following U.S. strategic weapons taken together: land-based intercon-

tinental missiles, submarine-launched missiles, cruise missiles and bombs carried by the B-52 and FB-111.

Facts show that the Kremlin's rivalry with the United States for nuclear superiority is an important aspect of its scramble for world hegemony. The new tsars have posited their strug-

gle for world hegemony on nuclear power. It is unthinkable that they will drop out of the arms race. Anyone who thinks that the new agreement will make the Soviet Union "restrain" the momentum of its nuclear arms expansion and war preparations will be disappointed.

Facts on File

So Many Soviet-U.S. Disarmament Talks

ROUND after round of talks on disarmament were held by the Soviet Union and the United States, the two superpowers, which have been engaged in a mad arms race to seize military superiority. The talks held in diverse forms over a dozen years were quite a merry-go-round, with each side attempting to restrict the other. Below are some of the major disarmament talks in the last few years.

Strategic Arms Limitation Talks. The so-called Soviet-U.S. strategic arms limitation talks which began in November 1969 in Helsinki were the principal dialogue between the two superpowers over the past decade. It has also been a smokescreen to cover up their rivalry for nuclear superiority.

SALT I talks were held between November 1969 and May 1972. After more than two and a half years of haggling, Brezhnev and the then U.S. President, Nixon, signed in Moscow the Soviet-U.S. Interim Agreement on Certain Measures With Respect to the Limitation of Strategic Offensive Arms. The agreement set a moratorium of up to five years on the aggregate number of nuclear weapon delivery vehicles the two sides then possessed and were producing. But it did nothing at all to limit the quality of strategic missiles, especially the number and quality of nuclear warheads, nor did it touch upon the question of strategic bombers.

SALT II talks began in November 1972. In November 1974, the then U.S. President, Ford, and Brezhnev agreed at Haishenwei (Vladivostok) to raise the ceiling of the deployed strategic weapons of each side by 1985 to 2,400. Of these, no more than 1,320 ICBMs and SLBMs would be permitted to carry multiple independently targetable reentry vehicles (MIRVs). This accord did not say a single word about limiting the quality of strategic weapons, either. Talks for

a new agreement lasted for over six years, with 291 sessions held in Geneva by May this year. Fierce disputes raged over a series of questions, such as the Backfire bomber, the cruise missile, and the verification of the number of strategic weapons. After long, hard haggling, the U.S. Secretary of State, Cyrus Vance, on May 9 announced that the United States and the Soviet Union had reached general agreement on SALT II. Reportedly this agreement provides that the two sides will be held down to a ceiling of 2,250 strategic weapons, of which 1,320 will carry multiple warheads. The agreement will be valid until 1985. During the period both sides will be permitted to develop a new type of land-based ICBM. The Soviet Backfire bomber will not be counted as a strategic bomber to be limited, but a U.S. bomber carrying long-range cruise missiles will be.

Talks on the Comprehensive Prohibition of Nuclear Tests. After a large number of nuclear tests in the atmosphere, in outer space and under water, the Soviet Union and the United States took part in signing the Partial Test Ban Treaty in August 1963. In the last dozen years, the two sides have carried out several hundred underground nuclear tests to develop their nuclear technologies and improve nuclear warheads.

After carrying out repeated underground nuclear tests, the two sides signed the "Soviet-U.S. Treaty on the Limitation of Underground Weapon Tests" in July 1974 and the "Soviet-U.S. Treaty on Underground Nuclear Explosions for Peaceful Purposes" in May 1976. In July 1977, the Soviet Union, the United States and Britain renewed talks on a comprehensive test ban treaty. The talks are still dragging on today. However, in the course of these very

Soviet and U.S. Strategic Missile Development

THE Soviet and U.S. strategic missiles grew out of the German V-2 missiles of more than 30 years ago. Roughly, they went through three stages:

The first stage: up to 1957. The missiles did not function satisfactorily. They took a lot of time to launch because they used a low temperature liquid propellant which had to be pumped in just prior to launching. Moreover, these missiles were too exposed as they were surface sited and launched. In addition, their accuracy was low, generally with a Circular Error Probability (C.E.P.) of about three kilometres.

The second stage: from the beginning of 1957 to the mid-60s (for the Soviet Union, to the end of the 60s). Launch duration was greatly shortened as a whole because they used a storable liquid- or solid-propellant fuel. Furthermore, their survival was enhanced because they were housed in and fired from silos, or submarines. Their accuracy was also much higher.

The third stage: from the mid-60s (for the Soviet Union, from the 70s). The missiles are now armed with MIRVs and their accuracy is further improved, with a C.E.P. of 400-500 metres. At the same time, silos are now "hardened."

Soviet and U.S. strategic missile generations are generally divided according to

the above three stages and their technical characteristics. There is no agreement as how to divide the generations of the Soviet strategic missiles, but on the whole they are divided into four generations. The first generation of missiles usually refers to the SS-6 which uses a low temperature liquid propellant fuel; the second generation refers to the SS-7, SS-8, SS-9, and SS-11, which all use a storable liquid propellant fuel; the third generation is the SS-13, which uses a solid propellant fuel; and the fourth generation refers to the MIRVed missiles such as the SS-16, SS-17, SS-18 and SS-19, all using a storable liquid propellant fuel, with the exception of the SS-16 using a solid propellant fuel. At present, the Soviet Union is developing its fifth generation of missiles which probably will be tested soon.

The United States has three generations of missiles. The first generation of missiles use a liquid-propellant fuel and includes the Titan II still on active service; the second generation uses a solid propellant fuel and includes the Minuteman II; and the third generation equipped with MIRVs includes the Minuteman III and submarine-launched Poseidon. The United States is stepping up development of its fourth generation missile, the M-X, a mobile ICBM.



talks, the Soviet Union and the United States between them conducted more than 40 underground nuclear tests.

Talks on the Limitation and Reduction of Military Activities in the Indian Ocean. In March 1977, the U.S. Secretary of State, Cyrus Vance, first proposed to the Soviet Union that "the Indian Ocean be completely de-militarized" and then the Soviet Union and the United States jointly set up a task group to negotiate the issue of "Soviet-U.S. naval armament competition in the Indian Ocean." Between June 1977 and February 1978, the two sides held four rounds of talks and agreed to work out a plan for "a phased-solution," with both sides not to make great changes in "the size and nature of

their respective naval forces" in the Indian Ocean. In other words, it meant a freeze on the two sides' military strength in the ocean. But there were major differences between them over such questions as how to define the limits of the Indian Ocean area and how to distinguish between a regular fleet and a task force. And the Soviet Union wanted the Australian east coast included in the Indian Ocean area. As the Soviet Union has stepped up its armed expansion in Africa and West Asia since February 1978, negotiations have been shelved, without reaching any agreement or withdrawing a single warship from the Indian Ocean.

Central Europe Force Reduction Talks. The talks on reduction of forces in Central

Europe between NATO and Warsaw Pact countries started in Vienna on October 30, 1973 and was attended by 19 countries, some of them as observers. Because the Soviet Union had an edge over the NATO countries in conventional armed forces and weapons in Central Europe, the latter in the talks called for "mutual and balanced reductions," meaning proportionate reduction of forces. The Warsaw Pact countries would make a greater cutback in their troops to bring about the equal strength of the two sides' armed forces. But the Soviet Union insisted on an "equitable reduction," that is, both sides would cut back the same number of troops so that it would still maintain its superiority. For several years, the two sides squabbled around this question without making any progress. It is necessary to ascertain the actual numbers of both sides' troops before deciding how much has to be reduced. This is very simple, but it has been the subject of fierce wrangling in recent years because of the discrepancies in the estimates of the two sides' armed forces in Central Europe. The Soviet Union claims that the two sides' military strength is roughly equal while Western countries say that the Warsaw Pact is concealing 150,000 men. After several

years of debate, this question is still "confused." The Vienna talks have gone on for five and a half years during which over 200 plenary sessions were held. But nothing has been accomplished.

Talks on the Limitation of Conventional Weapons Export. The Soviet Union and the United States started talks on this in December 1977 and nothing has come out of it. In recent years, the two superpowers, the Soviet Union in particular, have used arms export as a major means to carry out expansion abroad as well as to rack up huge profits. Despite the many rounds of talks, the two superpowers' arms deals have kept growing apace.

Other Talks. In addition to the above-mentioned major talks, the Soviet Union and the United States also held a series of talks on the prohibition of radioactive and chemical weapons, on the transfer of weapons and technology, on the prevention of nuclear weapon proliferation, on the prohibition of environmental warfare, on the prohibition of satellite warfare and so on. But all these talks have achieved nothing. They are just an attempt to mislead the people

(Continued from p. 15.)

changes in class relations." These "latest changes" were fairly simple. They maintained that in the period of socialism, there was a "bourgeoisie inside the Party," which was the main target of the socialist revolution. The spearhead of dictatorship should be directed against it. Who made up "the bourgeoisie inside the Party"? The "democrats," they said, or, in actual fact, the revolutionary leading cadres in our Party, government and army. These people have been the backbone of our Party; when they were toppled, the Party would be paralysed.

But what about the enemy in society? Another fresh "theory" surfaced. In the period of socialism, it was said, the "origin" of class struggle was found inside the Party and the struggle in society was its "continuation." "The tidal waves surging in society is caused by the kind of wind blowing inside the Party." This was because the "trunk" and the "head" of the bourgeoisie had moved into the Party.

This was how the "gang of four" concocted their "theory" in order to overthrow the core of our Party leadership. What should a Communist Party be doing? It came into being

to carry out inner-Party struggle. Who have been the target of the struggle? The "bourgeoisie inside the Party." In this way, the "gang of four" provided their counter-revolutionary political programme with a perfected theoretical form so that they might have a free hand in their venture. Why were they so immensely interested in the history of the two-line struggle? Did they really want to follow the Marxist line? Not at all. Their raising the two-line struggle to the highest place was purely for the purpose of carrying out a full-scale counter-revolutionary purge

Our criticism of Lin Biao and the "gang of four" for reversing the relationship between class struggle and the two-line struggle is not meant to belittle the struggle between the two lines, but to get rid of their sabotage, to put the two-line struggle back into its proper place and role and to restore Party history to what it should be. Both history and reality have told us how important it is to make a distinction between a correct and an incorrect line. Historical experience is most precious. Studying history with a correct approach will help us conduct the struggle in real life even more successfully.

SAMDECH SIHANOUK

Resolute Struggle Against Hegemonists

Samdech Sihanouk declared on May 23 in Pyongyang that he would wage a resolute struggle against the Vietnamese aggressors and Soviet-Vietnamese hegemonism.

Speaking of the Vietnamese aggressors, he said: "I will never accept Viet Nam's occupation of Kampuchea. As long as I am alive I will go on with the struggle."

He also pointed out: "The Soviet Union has said that Sihanouk can never go back to Kampuchea. My answer is that some day I will go back to Kampuchea. There is no need to get permission from the Soviet Union."

Samdech Sihanouk made these remarks to the Chinese Ambassador to Korea, Lu Zhi-xian, who called on him on that day.

Samdech Sihanouk arrived in Pyongyang on May 20 on a visit to the Democratic People's Republic of Korea at the invitation of President Kim Il Sung.

CYPRUS

Talks Resumed

Under the promotion of U.N. Secretary-General Kurt Waldheim, talks were held on May 18 and 19 between Spyros Kyprianou, Cypriot President and leader of the Greek Cypriot community, and Rauf Denktash, leader of the Turkish Cypriot community, during which a 10-point agreement was reached. It was agreed that the talks would resume on June 15 and that they would proceed on the basis of a 4-point guideline approved by the late President Makarios and

Denktash in March 1977 and the U.N. resolution relevant to the Cyprus issue. One of the questions the two sides agreed to give priority to was the consideration of the Greek Cypriot inhabitants in Famagusta returning to their homes in the Turkish sector. Such developments are an encouraging sign for a breakthrough in the deadlock.

The Cyprus problem is a legacy of imperialism. After this island country in the eastern Mediterranean with a population of some 700,000 of which 80 per cent is Greek and 18 per cent Turkish became independent in August 1960, relations between the Greek and Turkish Cypriots could have been settled step by step through consultations on an equal footing. But owing to Cyprus' strategic importance, the problem was complicated by the meddling of the two contending superpowers.

Armed conflicts between the Greek and Turkish communities took place in July 1974, and Greece and Turkey were quickly embroiled in the dispute. Then the country was split into Greek and Turkish sectors, and a U.N. peace-keeping force was stationed there to supervise a ceasefire. In order to end the divided state of the country, talks were held in 1975 and 1977, and the relations between the two sides improved. However, the two superpowers spared no efforts, in the pursuit of their expansionist policies, to profit from the situation. Soviet social-imperialism has particularly sown discord and created turmoil by agitating for the convening of an "international conference" and the establishment of a "new international guarantee" for solving the Cyprus

issue, in an attempt to create the "legal" conditions for its interference. Moscow not only is plotting to gradually control Cyprus and make its way into the eastern Mediterranean, but also is attempting to widen the rift in the southeast wing of NATO and weaken U.S. influence so as to strengthen its hand for world domination.

The long-delayed solution of the Cyprus issue has caused a great loss to the national sovereignty of Cyprus and the interests of the people of the two communities as well as an increase of turbulence in the area. Therefore, a strong demand by the two communities for excluding the interference of the two superpowers and settling their differences through mutual consultations is growing. A great many friendly countries have continually called on the two sides to resume talks to solve the problems. It is under such conditions that these preliminary results have been achieved by the two leaders.

CUBA

Unusual Activity

Since March Cuba has dispatched 16 ministers to non-aligned countries in Asia, Africa, Latin America and Europe in an attempt to persuade their leaders to participate in the 6th Non-Aligned Summit Conference scheduled to convene in Havana in September. Working in the service of its boss — the Soviet Union — in order to attain its ambition to disrupt the non-aligned movement, Cuba is attempting to gain some political capital as well as enhance its prestige by hosting the upcoming summit meeting and thus being elected to a 3-year term of chairmanship.

Since Cuba became the agent of the Soviet Union, the non-aligned movement has fallen on troubled times. Cuba has blatantly violated the principles of the movement, acting as a Soviet mercenary by sending troops to other countries, interfering in the internal affairs of the non-aligned countries and participating directly in armed aggression. In addition, it has widely publicized that the identity of interests between the non-aligned movement and the Soviet "community," and has urged them to renounce their non-alignment and anti-hegemonist positions, and join an alliance with the Soviet Union. All this poses an unprecedented danger for the non-aligned movement.

Cuba's activities have been condemned by a number of non-aligned nations. An article carried on May 9 in the *Nigerian Observer* pointed out that the future existence of the non-aligned movement has been threatened by Cuba's role. Now it is certain that some countries will not participate in the Havana summit.

Out of fear that leaders of the non-aligned countries will refuse to take part or that they will send lower-ranking officials to the conference, the Cubans have dispatched special envoys all over the globe in an effort to win the "co-operation" and "support" of these countries. This demonstrates that a difference of principle exists be-

tween Cuba and the many non-aligned countries who are maintaining their vigilance regardless of how Cuba widens its activities. On May 15, President Tito of Yugoslavia said: "The attempt to split the non-aligned movement and make its individual member nations lean towards blocs is very harmful. Objectively, it is also directed at the vast interests of the whole international community and the aspirations of all peoples for peace, security and universal progress."

CORRECTION: In our Issue No. 11 this year, the first sentence of the last paragraph in the right-hand column on p. 27 should read: "Ambassador Dubs was killed while he was working to detach Afghanistan from total reliance on the U.S.S.R."

(Continued from p. 20.)

The arms industry which used up vast quantities of steel contributed to the lopsided development of the Soviet economy, causing Soviet civilian enterprises to operate constantly under capacity.

Agriculture Falls Short of Targets

Moscow claimed that 1978 gave a record grain harvest of 235 million tons. But average grain output in the first three years of the Tenth Five-Year Plan fell short of the planned quota. The grain output in 1978 went up but the output for other important farm products went down. The agricultural output value in 1978 was over 2,300 million rubles less than the plan called for. Industrial crops such as cotton, vegetables, potatoes, sunflower seed and sugar beet did badly. The output of seedcotton fell by 460,000 tons, or 9 per cent, as compared with 1977. Animal husbandry, which accounts for over one half the total output value of Soviet agriculture, remained stagnant and meat output was 400,000 tons below target. Soviet leaders had to admit that "many people were worried" about the animal husbandry industry, "the meat problem in particular."

Consequences of Armaments Expansion and War Preparations

The Soviet Tenth Five-Year Plan is in its fourth year. Many major targets were not ful-

filled in the first three years. Higher targets were set for 1979, but they are still lower than the Tenth Five-Year Plan called for. Brezhnev has repeatedly stressed that not only must attention be paid to the annual plan, but also supervision must be strengthened in regard to the fulfilment of the five-year plan as a whole, which should be the centre of attention. This is an indication of the Soviet leaders' gloomy view of the current five-year plan.

The slow development of the Soviet national economy and continuous unfulfilment of planned targets are mainly the result of the policy of frenzied arms expansion and war preparations pursued by the Soviet leading clique. Statistics show that actual military expenditures in 1978 topped 140,000 million U.S. dollars, or 15 per cent of the gross national product. In the last few years, the annual growth rate of Soviet military expenditures has stood at about 5 per cent, far surpassing those of investments and the national income during the same period. The Soviet armament industry takes up an ever larger portion of funds, resources, technologies and labour away from civil economic sectors. The result is an inflated armament industry holding back the development of the national economy.

To Harness the Wind

The national daily *Guangming Ribao* recently carried a reader's letter to the editor suggesting China should exploit the wind energy resources of northwest China.

The writer pointed out that an area of 200,000 square kilometres between 95-100 degrees East longitude and 40-45 degrees North latitude has tremendous wind energy resources waiting to be tapped. It is at the narrow end of an enormous funnel formed by the Altay, Kunlun and Tianshan mountain ranges.

It is not economical to build hydro- or thermal-power stations in this northwestern part of the country where water and coal are scarce, but power from numerous wind-power stations to be set up in this area would enable people's communes to raise water from deep wells for irrigation and eventually turn this barren, arid land into vast, fertile green fields. Despite the high latitude, there are long hours of sunshine, and together with the strong winds, the area is admirably suited for setting up research institutes to study how wind and solar energy resources are to be utilized.

The letter-writer said that some developed countries are already studying ways to exploit wind energy resources because these could provide abundant energy without polluting the environment. "China should give this serious attention, too," the letter said.

I Have an Incurable Disease

What keeps a man suffering from an incurable disease ex-

uberant and full of life and enables him to keep on working? Let us ask Yuan Chunlin, a technician of the Turbine Workshop of the Shanghai Shipyard.

"Fifteen years ago doctors told me that I had contracted an incurable disease, progressive muscular dystrophy. First, the limb muscles of the sufferers like myself atrophy, and then the disease spreads progressively to the whole body and the sufferers become bed-ridden. It was a terrible blow to a college student like me.

"After my graduation, the Government still assigned me work. I was assigned to the Shanghai Shipyard to work on technical innovations. I took treatment as I worked. As the doctors predicted, my legs' muscles began to wither. I became depressed when I learnt how others with my disease ended up.

"The Party organization and my colleagues encouraged and comforted me and showed me every consideration. It helped me tremendously and strengthened my will to live.



"I was entitled to complete rest as I could not get about, but I wanted to do my bit to serve the people as long as I had life in me. Comrades saw what I wanted and organized themselves to help. They took me to and from work by turns every day. I stayed in the dormitory except for weekends when I went home. One young worker would see me home which is a long way away from the shipyard. Before this, a middle school teacher used to see me home. I had got to know him in the hospital when we went to see the doctor. His wife was a polio case, but he managed to help me for two years.

"Things got worse for me. My legs grew thinner and thinner. Finally, I couldn't even stand up. The shipyard bought me a hand tricycle. But later, the muscles of my arms and my hands began to go and I couldn't even use the tricycle. Comrades came and pushed me in it to and from work and take me home on weekends. They're now fitting a motor to my tricycle.

"When I could not take care of myself, comrades would take care of me. They would bring me meals, tidy my room and help me wash myself and so on. Some comrades sent their children to look after me when they fell ill themselves.

"I fought my affliction as best I could and managed to stay at my post. I could never have done it without help. My parents are not in good health. Many comrades helped me. Some I know and some I don't. If it weren't for these comrades, I guess I wouldn't be alive now. All this help is possible only in a country like ours where the



Guangzhou chicken battery built with contributions from Xianggang (Hongkong) compatriots.

relationship between people is one between comrades, where everyone is ready to help if anyone is in difficulty."

● **Agricultural Loans**

In the first quarter of this year, banks and credit co-operatives throughout the country have issued agricultural loans to people's communes, production brigades and teams amounting to more than 3,940 million yuan, 73 per cent above the figure for the same period last year.

Communes, brigades and teams used 45 per cent of the loans to buy fine seed strains, chemical fertilizers and diesel oil, 17 per cent to purchase farm machinery and equipment and 20 per cent to develop their enterprises. Some drought-stricken areas have also got loans.

This year, banks and credit co-operatives did a good job in handling the rural savings service. By the end of March, the rural savings deposits rose 1,290 million yuan over the corresponding period for last year.

Great amounts of state funds in the form of investments and loans are annually allocated to

aid agriculture. They are beneficial to consolidating and expanding the collective economies, pushing forward technical transformation of farming, and especially boosting farm yields in the current year.

● **Fujian Investment Company Set Up**

The Fujian Provincial Investment Enterprise Company was set up in Fuzhou, the provincial capital, to handle investments from overseas Chinese, compatriots in Xianggang (Hongkong) and Aomen (Macao) and foreign industrialists and businessmen.

This is a state enterprise, led directly by the Fujian Provincial Revolutionary Committee, and it:

- Issues stocks and handles investments;
- Accepts loans;
- Engages in compensatory trade;
- Engages in joint ventures;
- Accepts enterprises producing export goods set up with funds exclusively from overseas Chinese, compatriots in Xianggang and Aomen or foreign entrepreneurs in the designated zones in Fujian Province;

● Contracts to construct buildings and highway projects abroad by itself, or jointly with overseas Chinese, compatriots in Xianggang and Aomen, or with foreign firms.

This company has met with many overseas Chinese, Xianggang and Aomen compatriots and foreign entrepreneurs. Among items discussed were investments in different kinds of enterprises. Agreements have been reached on some.

● **New TV Station In Beijing**

The new Beijing TV Station began trial broadcasting in mid-May.

The station broadcasts mainly educational courses, such as 90-minute lectures every weekday alternatively on middle school mathematics, physics and chemistry. In July, special vocational training courses for teachers will begin.

Regular news programmes on current affairs at home and abroad are also televised as well as films, dramas, concerts and art exhibitions.

The 21-year-old Central TV Station (CCTV) also based in Beijing transmits programmes on two channels to the provinces, municipalities and autonomous regions, and exchanges programmes with local TV stations.



FAMOUS CHINESE NOVEL IN ENGLISH



北京周报英文版第二十二期（一九七九年六月一日出版）邮政代号二一九二

The famous Chinese classical novel **A DREAM OF RED MANSIONS** is an immortal work of realism written by Cao Xueqin (Tsao Hsueh-chin) and Gao E (Kao Ngo) in the mid-18th century during the reign of Emperor Qian Long (Chien-lung) of the Qing (Ching) Dynasty.

This novel takes as its background the decline of four big aristocratic families. Though it deals largely with the tragic love between Jia Baoyu (Chia Pao-yu) and Lin Daiyu (Lin Tai-yu), it gives a faithful picture of the Chinese society of that time, exposing the corrupt nature and evils of the feudal system and the crimes of the feudal ruling class.

The English translation is by Yang Xianyi (Yang Hsien-yi) and Gladys Yang. It will be published in three volumes, the first two are now available and the third will be brought out soon.

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